

STATEMENT OF PURPOSE

RS20553

The Industrial Commission is required by IC§ 72-523 to collect a tax each year from insurance companies and self-insured employers equal to two & one-half percent (2.5%) of the net premiums collected on all workers' compensation insurance policies written in Idaho (or on the premium that would have been paid by a self-insured employer). This tax is deposited in the industrial administration fund. That fund, created by IC§ 72-519, is used by the Commission for administering the worker's compensation law. However, the law does not provide authority to reduce the amount of tax collected. Therefore, this proposed amendment will provide some tax relief to sureties and self-insured employers for calendar years 2012 and 2013. This tax reduction will be passed on to businesses in the form of lower workers' compensation insurance premiums for all insured Idaho employers.

FISCAL NOTE

The fiscal impact to the industrial administration fund is estimated to be \$3.2 million. This proposed legislation has an indirect positive fiscal impact to the General Fund due to the worker's compensation premium deduction applicable to payments made to the Department of Insurance.

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